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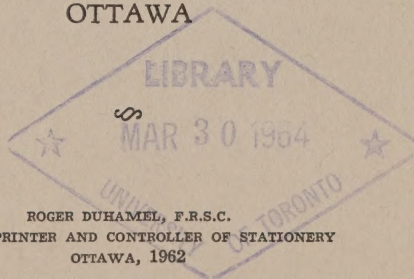
RESTRICTIVE TRADE PRACTICES COMMISSION

# REPORT

Concerning the Acquisition by Bathurst Power & Paper  
Company Limited of Wilson Boxes, Limited



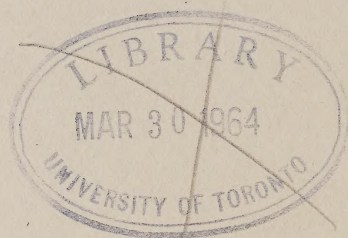
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RESTRICTIVE TRADE PRACTICES COMMISSION

REPORT

CONCERNING THE ACQUISITION BY BATHURST POWER & PAPER  
COMPANY LIMITED OF WILSON BOXES, LIMITED

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COMBINES INVESTIGATION ACT

---

Ottawa  
1962



RESTRICTIVE TRADE PRACTICES COMMISSION

C. Rhodes Smith, Q.C., M.A., LL.B., B.C.L.  
Chairman

Pierre Carignan, Q.C., M.A., LL.L.  
Member

A.S. Whiteley, B.A., M.A.  
Member





RESTRICTIVE TRADE PRACTICES COMMISSION

OTTAWA

Room 451, Justice Building,  
August 2, 1962.

Honourable E. Davie Fulton, P.C., Q.C., M.P.,  
Minister of Justice,  
Ottawa.

Dear Sir:

I have the honour to submit to you herewith the report of the Restrictive Trade Practices Commission in an inquiry relating to the acquisition by Bathurst Power & Paper Company Limited of Wilson Boxes, Limited.


The matter was brought before the Commission by the submission of a statement of the evidence obtained in the inquiry by the Director of Investigation and Research under the Combines Investigation Act and has been dealt with in accordance with the provisions of sections 18 and 19 of the Act.

Argument in regard to the Statement of Evidence was heard by the Commission at Ottawa on December 6, 1960. At the hearing Messrs. F. C. Gascoigne and F. N. MacLeod appeared for the Director of Investigation and Research, and Mr. Andre Forget, Q.C., appeared for Bathurst Power & Paper Company Limited and its subsidiaries.

Yours faithfully,

(Sgd.) C. Rhodes Smith

C. Rhodes Smith  
Chairman



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## CHAPTER I

### INTRODUCTION

#### 1. Reference to the Commission

This inquiry was undertaken by the Director of Investigation and Research under the Combines Investigation Act, R.S.C. 1952, Chapter 314, as amended by Chapter 51 of the Statutes of Canada, 1953-54. Prior to the amendments by S.C. 1960, Chapter 45, Section 18(1) of the Act read as follows:

- "18. (1) At any stage of an inquiry,
- (a) the Director may, if he is of the opinion that the evidence obtained discloses a situation contrary to section 32 or 34 of this Act, or section 411 or 412 of the Criminal Code, and
- (b) the Director shall, if so required by the Minister,
- prepare a statement of the evidence obtained in the inquiry which shall be submitted to the Commission and to each person against whom an allegation is made therein."

The inquiry came before the Commission when the Director submitted a Statement of Evidence dated August 11, 1960 to the Commission and also to Bathurst Power & Paper Company Limited, the party against whom allegations were made in it with respect to the company's acquisition, in 1960, of Wilson Boxes, Limited, a manufacturer of shipping containers in New Brunswick.

Bathurst Power & Paper Company Limited is sometimes referred to herein as Bathurst, and Wilson Boxes, Limited as Wilson.

The submission by the Director of a Statement of Evidence with respect to Bathurst's acquisition of Wilson in 1960 followed the submission of a Statement of Evidence, dated December 31, 1959 in an investigation entitled "An Inquiry Relating to the Manufacture, Distribution and Sale of Paperboard Shipping Containers and Related Products". (In the present inquiry the Statement of Evidence, dated December 31, 1959 is

referred to as the "Shipping Containers Statement"). The earlier inquiry was broad in scope and dealt with developments in the industry up to 1959, including a series of acquisitions which had been made up to that time. It forms a background to the present inquiry and the Director has relied upon evidence obtained in the broader inquiry to support the allegations made as a result of the present inquiry. The inquiry into the manufacture, distribution and sale of paperboard shipping containers is reported upon separately by the Commission. In that report the Commission deals in a comprehensive way with conditions and practices in the industry which are shown by the evidence and analyses the economic effects of the acquisitions of shipping container companies which had been made in various regions across Canada. The analysis and appraisal made by the Commission in its report on the manufacture, distribution and sale of paperboard shipping containers are relevant in a number of aspects to the present inquiry and in view of the fact that such analysis and appraisal are available in that report it is unnecessary to go over the same ground in the present report and it will be sufficient to refer to matters dealt with in the broader report.

## 2. Allegations

The Statement of Evidence contains the following allegations:

"4. It is alleged that the acquisition of WILSON by Bathurst Containers (Maritime) Limited, as hereinafter described, is a 'merger, trust or monopoly' within the meaning of the Combines Investigation Act; that the said merger, trust or monopoly has operated and is likely to operate to the detriment or against the interest of the public, thereby constituting a 'combine' within the meaning of the said Act; and that BATHURST is a party to such combine."

(Statement of Evidence, p. 1)

"9. The general public detriment to which the merger gives rise is as described in paragraph 362 of Volume IV of the Shipping Containers Statement. In addition, the merger gives rise to particular detriment as a result of the excess of price over the company's net worth paid by BATHURST, which will have to be borne in the end by its customers and the general public. The merger also gives rise to the additional detriment that WILSON is now controlled by the company which exercises, over the only other shipping container manufacturer in the Maritimes, the influence and control described in paragraph 362(c)(5) of the Shipping Containers Statement, on page 903."

(Statement of Evidence, p. 4)



Paragraph 362 of Volume IV of the Shipping Containers Statement of Evidence reads, in part, as follows:

"362. Between 1945 and 1959, inclusive, various companies acquired control over or an interest in the whole or part of the business of another company, as listed in paragraph 7. These mergers must be regarded, not merely individually or in isolation, but in the light of the industry arrangements and practices described in this Statement as existing from the 1930's to 1959 inclusive. It is, in considerable measure, because of such continuing arrangements and practices that the effects of the mergers have been, and will continue, detrimental. (Conversely, the arrangements and practices must be regarded, not only standing alone, but also in the light of the integrations, by way of mergers, which have taken place in the industry). The detriment to the public common to all these mergers, except the acquisition of Canadian Western Box (Alberta) Limited by MARTIN PAPER, derives from the fact that in each case a shipping container manufacturer, formerly independent of the board mills in ownership and management, has been acquired by a board mill and has become part of its integrated operations. The competition arising from the divergent interests of the two branches of the industry, which in the absence of an agreement such as alleged in paragraphs 5 and 6 would safeguard the interests of users of shipping containers and of the general consuming public, has been pro tanto foreclosed. The process of integration has already proceeded to the extent that only a very small segment of the shipping container industry remains independent of the board mills. In consequence, even after the elimination of the agreement alleged in paragraphs 5 and 6, the possibility of future competition is impaired because:

- (a) New entries into the industry of containerboard manufacturing will be discouraged by the fact that existing outlets for the sale of board have nearly all been absorbed by the present board manufacturers.
- (b) The most likely importers of containerboard have been brought under the ownership and control of the containerboard manufacturers. The restraining influence of actual or potential competition from abroad is thereby curtailed.
- (c) The most significant purchasers of containerboard have been brought under the ownership and control of the containerboard manufacturers and will not shop around among such manufacturers for their requirements.

- (d) New entries into the industry of converting containerboard into boxes will be discouraged by the fact that all or most of the significant existing converters are integrated with containerboard manufacturers thus putting new entrants in danger of a 'squeeze' between containerboard costs and box prices.
- (e) The bulk of the business is now largely concentrated in a few integrated producers, all having a record of anti-competitive behaviour in this industry, and most of them in another sector of the pulp and paper industry. Two companies BATHURST and ST. LAWRENCE, on the basis of 1958 figures, now account for approximately 60 per cent by volume of the total shipments of containers in Eastern Canada and are also important producers in the Prairies. Recent figures for containerboard are not in evidence, but the same two companies remain the leaders in the production of containerboard. Their combined market shipments, however, are a smaller proportion than would be indicated by the 1954 figures when they, together with HINDE & DAUCH, now wholly-owned by ST. LAWRENCE supplied 77 per cent of the total domestic shipments made in Canada as a whole. Under the market structure brought about by the mergers, anti-competitive behaviour does not require forms of organization and methods of consultation which are readily capable of detection and correction.

The detriment in respect of the excepted merger lies in the elimination of competition, without any compensating advantages to the public, which it entailed. In addition to the general detriment referred to above, the various mergers gave rise to particular detriment as follows:

. . . ."

(Shipping Containers Statement of  
Evidence, Vol. IV, pp. 901-02)

In the remainder of paragraph 362 there are allegations of particular detriment with respect to acquisitions by various companies but it is not considered necessary to set out the further allegations here except the allegation made with respect to the acquisition by Bathurst, in December 1958, of a minority stockholding in Maritime Paper Products Limited. The latter company operated a shipping container

plant in Halifax, Nova Scotia. Section (c) 5 of paragraph 362 reads as follows:

- "5. The acquisition of a minority stockholding and a voice in the management of MARITIME, together with a contractual right to purchase the shares of the majority stockholder in the event of its deciding to sell them, impaired potential future competition in the Maritimes. WILSON, the only other shipping container manufacturer in the Maritimes, which heretofore secured its supplies solely from BATHURST, was placed in a position of potential squeeze between containerboard costs and box prices. Prior to the acquisition, MARITIME was one of the most likely companies to undertake independent competitive action, since it was less dependent upon the organized industry for board supplies, which it obtained principally from its major shareholder, MINAS BASIN."

(Shipping Containers Statement of  
Evidence, Vol. IV, p. 903)

Amendments to the Combines Investigation Act came into effect on August 10, 1960.<sup>(1)</sup> Prior to its amendment in 1960 the definition of a merger formed part of the definition of a "merger, trust or monopoly" and such a situation constituted an offence when the "merger, trust or monopoly" had operated or was likely to operate to the detriment or against the interest of the public (Section 2). The amending Act of 1960, among other things, repealed the definitions of "combine" and "merger, trust or monopoly" in section 2 of the Combines Investigation Act and enacted new provisions in that section, including separate definitions of "merger" and of "monopoly". However, as the acquisition of Wilson by Bathurst was completed by June 8, 1960 the inquiry proceeded on the basis of the language in the Combines Investigation Act prior to its amendment in 1960.

### 3. Description of Companies

Bathurst Power & Paper Company Limited (Bathurst) has its head office at Bathurst, New Brunswick. It is engaged in the manufacture of containerboard grades of paperboard and other products which it manufactures at its mill at Bathurst. The distribution of its paper products is handled by Bathurst Paper Sales Limited, which is a wholly-owned subsidiary of Bathurst Power & Paper Company Limited. Bathurst also engages in the manufacture of corrugated shipping containers and related products through its wholly-owned operating

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(1) An Act to Amend the Combines Investigation Act and the Criminal Code, S.C. 1960, c. 45.



subsidiary, Bathurst Containers Limited. The latter's subsidiary, Bathurst Containers (Maritimes) Limited, was created as a non-operating wholly-owned subsidiary of Bathurst Containers Limited and it acquired all the issued shares of Wilson on or about June 8, 1960. The amalgamated companies continued as one company by the name of Bathurst Containers (Maritimes) Limited.

The following acquisitions of shipping container manufacturers had been made previously by Bathurst:

- 1945 - Shipping Containers Limited, Montreal
- 1946 - Kraft Containers Limited, Hamilton
- 1954 - Canadian Wirebound Boxes, Limited,  
Toronto and Montreal
- 1958 - Norwood Box Co. Ltd., St. Boniface, Manitoba
- 1958 - Minority interest in Maritime Paper Products  
Limited, Halifax, Nova Scotia

Wilson Boxes, Limited (Wilson) had its head office in the City of Lancaster, near Saint John, New Brunswick. There it maintained a factory for the manufacture of corrugated shipping containers and related products. Its products were sold in the Maritime Provinces, and occasionally in Quebec, through its own sales force directly to users. In 1960 it was acquired by Bathurst indirectly as noted previously in this section.

#### 4. Conduct of the Inquiry

The Director's Statement of Evidence gives the following description of the evidence on which it is based:

"2. The evidence obtained in the inquiry and upon which the Statement herein is based is:

- (a) All the evidence set out in the Statement of Evidence dated December 31, 1959, in the matter of an inquiry relating to the manufacture, distribution and sale of paperboard shipping containers and related products, copies of which have been sent to Bathurst Power & Paper Company Limited. This document is cited hereinafter as 'the Shipping Containers Statement' and is incorporated herein by reference.

- (b) The sworn return of information dated July 15, 1960, made by E.S. Kirkland, Secretary of Bathurst Power & Paper Company Limited, pursuant to Section 9 of the Combines Investigation Act, together with the related correspondence. This document is cited hereinafter as 'Return'."

(Statement of Evidence, p. 1)

The Commission, by a letter dated August 15, 1960 fixed the first juridical day following the conclusion of hearings in the inquiry into the "Manufacture, Distribution and Sale of Paperboard Shipping Containers and Related Products" at ten o'clock in the morning as the date and time, and a court room of the Exchequer Court of Canada, Supreme Court Building, Wellington Street, in the City of Ottawa, Ontario as the place at which argument in support of the Statement of Evidence might be submitted by or on behalf of the Director and at which the persons against whom the allegations had been made in such Statement should be allowed full opportunity to be heard in person or by counsel. Circumstances, however, made necessary the postponement of this hearing until 2:15 p.m. December 6, 1960.

At the hearing, the following appearances were made:

Mr. F. C. Gascoigne	)	for the Director of Investigation
Mr. F. N. MacLeod	)	and Research
Mr. Andre Forget, Q.C.	)	for the Bathurst Power & Paper Company Limited (and subsidiaries)

5. Position Taken by Bathurst with Respect to the Director's Allegations

The principal points on which issue with the Director's allegations was taken by counsel for Bathurst at the hearing before the Commission may be summarized as follows:

1. Comparisons of the price paid for Wilson by Bathurst with the book value of Wilson are not valid because the book value is arrived at by taking as much depreciation as is permitted for income tax purposes.

2. Even the cost of reproduction less depreciation is not a valid measure of value. Because time is required for a new plant to reach peak efficiency, a newly built plant is worth less than one which has been operating for a while. Therefore "going value" must be added to any appraisal of a plant based on reproduction costs less depreciation.

3. The Director has not given sufficient weight to the value of goodwill, that is, the clientele and know-how, in relation to his allegation that an excessive price was paid for Wilson. Bathurst acquired control of Wilson precisely to obtain the latter's goodwill.

4. The Director has not taken sufficiently into account that the future prospects of a company may warrant an increase in the purchase price. Although the initial investment is large, an adequate return is secured later on.

5. Although Bathurst has, through taking over a number of companies, secured for itself 27.24 per cent of the total box market in Eastern Canada (Ontario, Quebec and Maritimes), it is in no position to exercise economic power virtually unaffected by competition.

6. There is no evidence to support the Director's allegation that Bathurst's policy was to eliminate independents so as to be able to dominate, together with other large companies, the market free from competition without the necessity of having any overt agreements between the various companies.

7. Bathurst's acquisitions and others represent a structural change brought about by economic forces. The acquisitions have rendered the industry more efficient and will eventually serve the Canadian public better by having products manufactured more cheaply and made available at the cheapest possible prices.

8. There is no link between the system as to costs among container manufacturers, as alleged by the Director, and Bathurst's acquisition of Wilson.

9. There is no evidence that Bathurst agreed with its competitors to integrate the industry.



## CHAPTER II

### THE ACQUISITION OF WILSON BY BATHURST

The circumstances of the acquisition of Wilson by Bathurst are described in the Statement of Evidence as follows:

" . . .

5. For many years BATHURST has been the virtually exclusive supplier of containerboard to WILSON (Shipping Containers Statement, page 724; Return - Schedule A, paragraph (j)). For about twenty years there has been an understanding between the two companies that BATHURST would have the first refusal if WILSON should be offered for sale. Pursuant to this understanding the Presidents of the two companies commenced negotiations in April 1960. Arrangements were completed for the acquisition of WILSON by BATHURST through Bathurst Containers (Maritime) Limited, which was incorporated to make the acquisition as a wholly-owned subsidiary of Bathurst Containers Limited, the wholly-owned subsidiary of BATHURST which is the vehicle for its converting operations. The acquisition was by way of buying all the issued shares of WILSON at an aggregate price of \$1,700,000, and it was consummated on or about June 8, 1960 (Return).

6. The financial position of WILSON as of the date of the acquisition was that disclosed by its balance sheet as at December 31, 1959, affected only by normal changes resulting from routine operations thereafter up to the date of the acquisition by BATHURST, as safeguarded by the written arrangements set out in the various documents referred to in paragraph 3 of the Return. The balance sheet of WILSON as at December 31, 1959, which was used in connection with the offer to sell (Schedule 'B' to Exhibit 'A' to Return, referred to in Return, paragraph 3) shows that the book net worth of WILSON was approximately \$920,000. Of this amount, about \$285,000 was the excess of current assets over current liabilities and was largely cash and accounts receivable. Another \$381,000 was in investments in securities at cost, about \$30,000 above the market realization figure. The remaining assets were virtually all fixed assets, being land, buildings, machinery and equipment. The book value of these fixed assets, after depreciation, was \$250,000,

and their original cost was \$716,000. By comparison with the 1954 balance sheet of WILSON (part of its return of information in the Shipping Containers Statement) it is established that a minimum amount of \$326,000 of new fixed assets were acquired between 1954 and 1960, and the depreciation charged against all fixed assets during that period was \$188,000. The difference between the book net worth of WILSON as at December 31, 1959, and the price paid by BATHURST, was \$780,000, being the difference between \$1,700,000 and \$920,000. To the extent that this was not a payment for goodwill it was a recognition of the fact that the fixed assets of WILSON were under-valued on the books of the company. Another version of the WILSON balance sheet as at December 31, 1959, indicates that on February 6, 1960, it received an appraisal report from the Dominion Appraisal Company, Limited, which placed the appraisal value of its fixed assets excluding land, on the basis of replacement cost less depreciation, at \$957,000, some 3.8 times the depreciated book value of the fixed assets including land. As indicated by the above analysis, the difference between the book value and the appraised value, in excess of \$707,000, would have to be accounted for mainly by the assets purchased before 1954, whose depreciated book value at the end of 1954 was \$277,000 and their original cost \$390,000.

7. Further statistics on containerboard and shipping container operations were obtained in the Return. . . ."

(Statement of Evidence, pp. 1-2)

## CHAPTER III

### CONSIDERATION OF THE ALLEGATIONS OF THE DIRECTOR

The general allegation made by the Director with respect to the acquisition of Wilson by Bathurst as well as to the acquisitions in the industry which preceded it is that in each case (with one exception) a shipping container manufacturer, formerly independent of the board mills in ownership and management, has been acquired by a board mill and become part of its integrated operations. The competition between the board mills and the container manufacturers, arising out of their divergent interests, as suppliers of board on the one hand and buyers on the other, which would serve as a public safeguard, is foreclosed by the process of integration. The Director also alleges that the extensive integration which has resulted from the series of acquisitions serves to limit the opportunities for new entrants to become established as independent suppliers of board or independent manufacturers of shipping containers.

The effects of the acquisitions of shipping container manufacturers by board mills are examined fully in the Commission's report on the inquiry into the manufacture, distribution and sale of paperboard shipping containers and related products, and reference may be made to that report for the detailed analysis. The opinion of the Commission is that the changes in the structure of the shipping container industry which have been caused by the extensive series of acquisitions create the likelihood of continued public detriment. The four largest producers of shipping containers, all integrated companies, produced 77 per cent of the shipping containers made in Ontario and Quebec in 1960. As Bathurst already had a minority interest in Wilson's only competitor in the three Maritime Provinces, its acquisition of Wilson completed the disappearance of independent container firms in that region. The only other shipping container plant then operating in the Atlantic Provinces was the St. John's, Newfoundland plant of Hygrade Containers Limited (a subsidiary of Canadian International Paper Company). For reasons which are set out fully in the report on the inquiry into the shipping container industry we believe that the concentration which has been brought about through the acquisitions in this field will assist in the maintenance of non-competitive prices for shipping containers even if arrangements with respect to pricing systems are discontinued. We also believe that the predominant positions now held by integrated producers will make it unlikely that non-integrated manufacturers will have the opportunity to enter the production of board or of containers to a degree which would have any significant economic effect on the market.

Consideration may now be given to the specific instance of the acquisition of Wilson by Bathurst. In the case of several other acquisitions which were examined in the shipping containers inquiry the Director alleged that the purchase price was in excess of the physical assets acquired or of the net worth of the company as shown by its financial statements. In the report of that inquiry the Commission has set out at some length its reasons for considering that such criteria do not necessarily establish that an excessive price was paid for the company acquired. The same reasoning applies in the present inquiry and we do not think that the evidence relied on by the Director establishes that an excessive price was paid by Bathurst in acquiring Wilson. As we pointed out in other instances in the shipping containers report, considerations as to the return which it is expected to secure from the investment are likely to be the governing factors in determining what price is paid for a going concern. As we also pointed out in the other instances, the scale of earnings in the past has been affected by the arrangements among shipping container manufacturers for the maintenance of common prices and the price paid by Bathurst for Wilson may be considered as reflecting the higher level of earnings which had obtained in the absence of competition in price between the manufacturers than would have existed if the prices of shipping containers had been established on a competitive basis.

As previously indicated, Bathurst had been the virtually exclusive supplier of containerboard to Wilson for a long period before its acquisition and had an agreement with Wilson for the supply of board which would continue unless terminated on two years' notice. As far as the supply of board to Wilson is concerned the acquisition made little difference to the situation previously prevailing.

The practices followed by Wilson and by its only competitor in the Maritime Provinces, Maritime Paper Products Limited of Halifax, in pricing shipping containers are described in the report of the Commission on the shipping container industry. It is sufficient to say here that Wilson and its competitor followed the same system of pricing and used an identical mark-up under arrangements involving the use of manuals prepared by Container Statistics Limited. The acquisition of Wilson by Bathurst, in view of the fact that the latter had a substantial minority interest in Maritime Paper Products Limited, would render unlikely the development of active competition in price between Wilson and its competitor even if the arrangements for arriving at common prices through the manuals of Container Statistics Limited were abandoned. It must be observed that there would be very little, if any, opportunity for Wilson to secure supplies of board economically from any producers other than Bathurst, with its mill in New Brunswick, so that unless competitive conditions were generally restored Wilson could hardly be expected to pursue an independent pricing policy.



## CHAPTER IV

### CONCLUSIONS

#### 1. The Position in Law

The effect of this acquisition is subject to similar comments to those made in the Shipping Containers report on the acquisitions dealt with therein.

It appears that Bathurst held about two-thirds of the container-board market in the four Atlantic Provinces in the years 1959 and 1960, the balance being held by Minas Basin, with some shipments from companies in the Ontario-Quebec region.

Production of shipping containers in that market in 1959 was almost entirely in the hands of Maritime (52.35 per cent) and Wilson (45.30 per cent), with Hygrade having the small balance of 2.35 per cent. In 1960 Hygrade had increased its share to 13.85 per cent, the shares of Maritime and Wilson being reduced to 47.60 and 38.55 per cent respectively. This was the year in which Bathurst, which already had a minority interest in Maritime, acquired Wilson.

Hygrade's share of the market in 1960 had attained significant proportions, with substantial growth since 1959. On the basis of shipping container production therefore Bathurst, as a result of acquiring Wilson, was not in a position to carry on its business virtually free from the influence of competition.

It is further noted that actual or potential competition from companies in Quebec or Ontario existed at the time of the merger and would not be affected by the acquisition.

On the basis of the decisions in the Canadian Breweries and Sugar cases evidence of arrangements or agreements to preclude competition would not be admissible on a merger charge. In the opinion of the Commission therefore, if the judgments in those cases correctly state the law, it appears likely that this merger would not constitute an offence.

2. Economic Effects

The acquisition of Wilson by Bathurst did not add a great deal to the latter's position in the shipping container industry in Canada as a whole, but it brought under its direct control a firm producing, in 1960, over 38 per cent of the output of shipping containers in the Atlantic Provinces. Taking the output of Wilson with that of Maritime Paper Products Limited, in which Bathurst had a substantial minority interest, the two companies linked with Bathurst accounted for over 85 per cent of the production of shipping containers in the Atlantic Provinces in 1960. The acquisition of Wilson by Bathurst thus greatly increased in a formal way the degree of concentration in the shipping container industry in the Maritime Provinces. In addition to its effect, regionally, the acquisition contributed to the process of integration in the industry generally with the restrictive effects which are described in the Commission's report on the shipping container industry.

3. Recommendations

For reasons similar to those expressed in Section 1 above, and others which are set out at length in the shipping containers report the Commission does not consider that provisions of the Combines Investigation Act for the dissolution of mergers could be relied upon to effect the restoration of competitive conditions in the shipping container industry. The reasons for this opinion need not be repeated here but they are relevant to the present inquiry. In the shipping containers report the Commission recommended that appropriate tariff changes be made to restore competitive conditions in the supply of containerboard and in the supply of shipping containers. These recommendations would be equally relevant in the present inquiry.

(Sgd.) C.R. Smith

Chairman

(Sgd.) A.S. Whiteley

Member

(Sgd.) Pierre Carignan

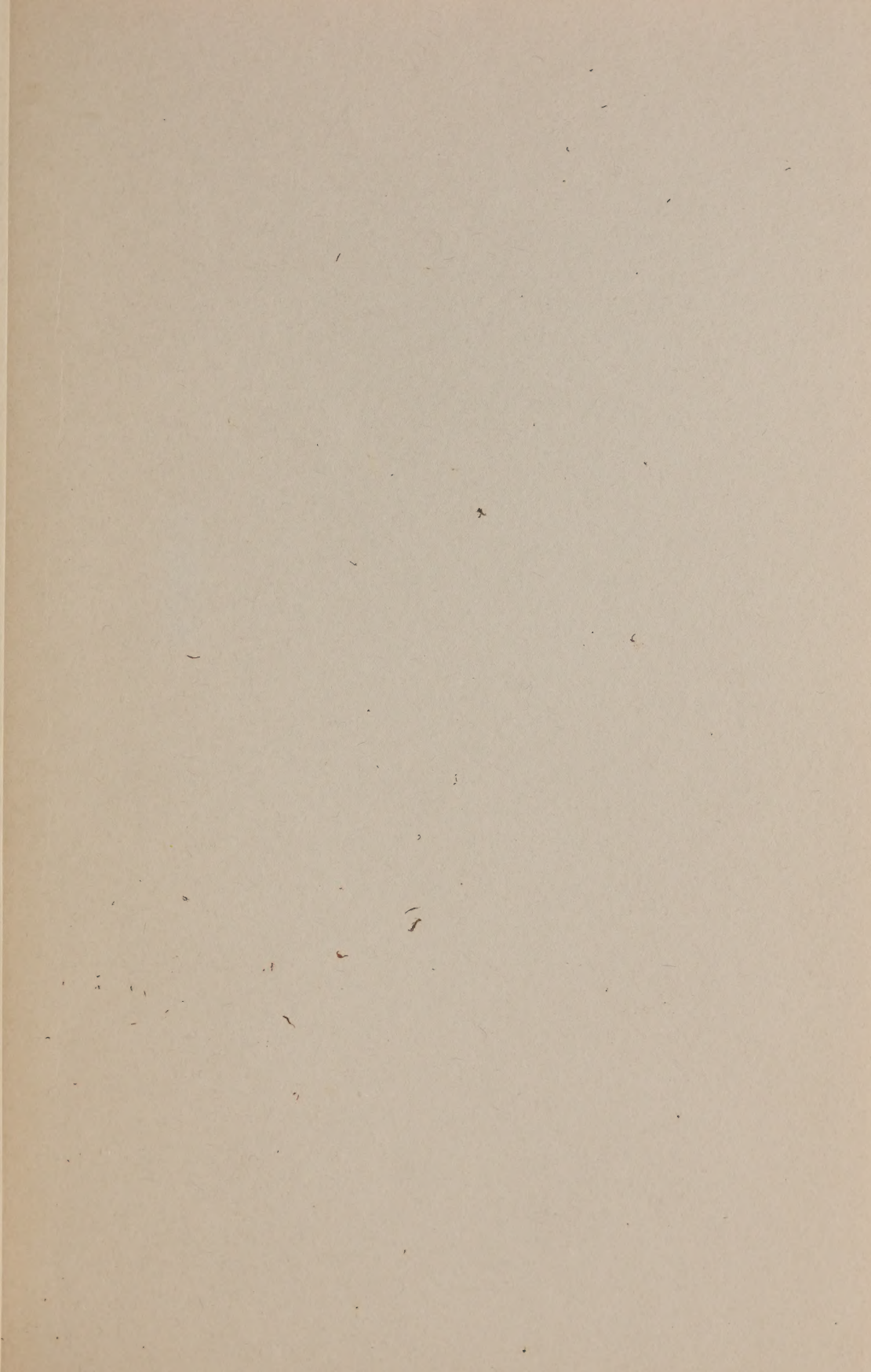
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